

No.12014/4/2009- FPP
Government of India
Ministry of Chemicals & Fertilizers
Department of Fertilizers

Shastri Bhawan, New Delhi
Dated the 10th January, 2019

To
CMD/MDs,

RCF/MFL/BVFCL/NFL/FACT/KRIBHCO/IFFCO/GSFC/GNVFC/SFC/NFCL/
CFCL/YFIL/ZACL/GIL/SPIC/KFL/MCFL/KFCL

Subject: Recovery of incidence of non-reimbursable input taxation levied by State Governments from time to time in the subsidy regime.

Sir,

I am directed to refer to Department of Fertilizer's letters of even number dated 29th March, 2011 and 17th May, 2018 on the subject mentioned above and to say that the Government of Uttar Pradesh had levied Additional VAT on input (i.e. Natural Gas) which was recovered by fertilizer manufacturers from the farmers for sale of urea over and above MRP. The additional levy recovered over and above MRP of urea was Rs 680/- per MT for the state of Uttar Pradesh for the year 2018-19.

2. However, vide notification No. KA.NI-2-2218/XI-9(57)/17 – U.P. Act-5-2008-Order-(158)-2018 dated 14th November, 2018, the Government of Uttar Pradesh has rescinded the erstwhile notification No KA.NI-2-419/XI/9(1)/08 – U.P. Act-5-2008-Order-69-2011 dated 31st March, 2011. In view of the above, the urea manufacturers/traders/importers are advised not to recover additional cost on urea bag, **w.e.f 12.01.2019**.

3. Government of Uttar Pradesh is requested to make sure that the 45 Kg and 50 Kg bag of urea may be sold **not** more than Rs. 266.50 and Rs. 295.00 respectively in the state of Uttar Pradesh (U.P.).

4. This issues with the approval of competent authority.

Yours faithfully,

Sachin Kumar.
(Sachin Kumar) 10.01.19

Under Secretary to the Government of India
☎: 23388891

Copy to:

1. Principal Secretary (Agriculture), Government of Uttar Pradesh, Lucknow.
2. The Executive Director, Fertilizer Industry Coordination Committee, 8th Floor, Sewa Bhawan, R.K. Puram, New Delhi.
3. DBT cell for necessary action.
4. NIC to upload on website.